

in high use for irrigation and the snow has melted. They collect data on how much water flows through streams or ditches; inspect headgates, flumes and springs, and during particularly dry times, undertake the difficult task of enforcing water rights. These hard working commissioners have improved their efficiency field by adding global positioning system technology and many other modern capabilities to facilitate better tracking and locating procedures for water in their districts.

Mr. Speaker, the Gunnison water commissioners work hard and take pride in the stewardship of a precious resource, and I am confident that the Gunnison community is grateful for their dedication. It is a privilege to bring the contributions of these fine water commissioners to light before this body of Congress. I thank them for their service and I wish them all the best in their future endeavors.

CONGRATULATIONS TO ST. CROIX
HOSPITAL AND STAFF

HON. DONNA M. CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mrs. CHRISTENSEN. Mr. Speaker, it is with pride that I rise today to congratulate the St. Croix—Governor Juan F. Luis—Hospital administration and staff.

On June 30, 2004, the Juan Luis Hospital received accreditation from the Joint Commission on Accreditation of Healthcare Organizations. This achievement has brought us a step closer to our goal of providing first-class health care services for the people of the Virgin Islands.

The St. Croix Hospital has faced many challenges over the years, but the past one was particularly difficult. When they were without a Chief Executive Officer, two physicians, Dr. Lloyd Henry and Dr. Michael Potts stepped up and stepped in, to lead. The Board provided continuity and gave them their full support. The staff put differences, and any personal concerns aside and pulled together. When a leader was finally selected, in the person of Mr. Gregory Calliste, they all became one team on a mission.

There are still challenges to be faced and overcome. But with this achievement, they have proven their mettle to the community, and what working together with a common vision can produce, to themselves.

The St. Croix community as well as the entire Virgin Island community—for all of us will benefit—are grateful for the hard work and dedication that went into this successful effort. It is an undeniable testimony to their commitment to providing quality health care to us.

Mr. Speaker, on behalf of my family, staff, and all Virgin Islanders I once again congratulate the entire Juan Luis Hospital family for their shining accomplishment. Our community looks forward to their continuing superior service and further crowning accomplishments.

INTRODUCTION OF THE MEDICARE
HOSPITAL ACCREDITATION ACT
OF 2004

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 20, 2004

Mr. STARK. Mr. Speaker, I rise today to introduce the Medicare Hospital Accreditation Act of 2004. Forty years ago, the Congress abdicated the federal government's regulatory responsibilities to ensure that hospitals meet Medicare requirements. Congress empowered the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) with a unique authority to deem hospitals as eligible for Medicare payments with minimal government interference. That was clearly a mistake. In the decades that JCAHO has had this unsupervised authority, serious inadequacies in hospitals have gone unchecked. Our current process is not working and it's time for the federal government to reassert its authority. This bill would do just that.

This bill today responds to a report by the Government Accountability Office (GAO—04—850) raising serious concerns about the effectiveness of the current system used to accredit and oversee hospitals that serve Medicare beneficiaries. The investigation, based on a retrospective survey of 500 hospitals, indicates that JCAHO failed to detect a large number of serious deficiencies subsequently found later by a team of government inspectors. These deficiencies are not superfluous. They are important, basic minimum standards needed to ensure both a safe environment and quality health care. For example, JCAHO accredited hospitals with inadequate procedures for preventing the spread of infections, inadequate safeguards to assure competent performance of physicians and nurses, and hospitals that outright failed to protect patients and staff from fire-related disasters. While this survey cannot be generalized to the entire hospital community, it implies a troubling lack of compliance with important safety standards and is a signal for change.

This is not the first time that problems in the Medicare hospital accreditation and oversight process have come to light. In 1990, we held a hearing on this issue in the Ways and Means Committee. Gail Wilensky, the Medicare Administrator for President George H.W. Bush, expressed concern that JCAHO-accredited hospitals displayed serious deficiencies when subsequently surveyed by government surveyors. In 1999, an investigation by the Health and Human Services Office of the Inspector General (OIG) concluded that JCAHO accreditation surveys were not likely to identify patterns of deficient care. Finally, for the past three consecutive years, CMS has found that JCAHO failed to meet the CMS performance standard for the hospital survey process. This is one more indication of JCAHO's need to improve its performance, and, more importantly, the need to increase CMS' authority to oversee JCAHO.

Despite this body of evidence, until now, the federal government has done little to address the problem. This stems in part from the original Medicare law passed by Congress in 1965. In that Act, JCAHO was granted the authority to "deem" hospitals as meeting the Medicare conditions of participation and qual-

ify for Medicare payments. As a result, the federal agency administering the Medicare program was not granted adequate oversight authority. The agency had no authority to regularly review JCAHO's surveying processes, to mandate or approve changes to the procedures, or to sanction JCAHO for inadequate performance. No other accrediting organization is immune from government oversight.

Thus, Congress delegated oversight to a private entity that is essentially under the control of the very industry it attempts to regulate. In fact, the American Hospital Association and key physician groups appoint approximately 70 percent of the JCAHO Board of Directors! This special status is even more alarming when JCAHO's role in the market is taken into consideration. In addition to its Medicare activities, JCAHO accreditation partially or fully substitutes for state regulators in 49 states, it certifies VA facilities, and is often used by private insurers and plan sponsors as a requirement for plan participation and payments.

The hospital oversight process is comprised of a three-legged stool—the private Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Centers for Medicare and Medicaid Services (CMS) and their delegates at the state level, and the Congress. This report shows that each party needs to act to improve patient safety and assure that taxpayer dollars are spent in facilities that meet Medicare's minimum requirements.

Along with Senator CHARLES GRASSLEY, who is introducing companion legislation in the Senate, the bill I'm introducing today is the first step toward addressing this problem. This legislation would provide CMS with the same oversight authority over JCAHO that it has for all other national organizations with deeming authority. We may need to do more, but this is an important start.

In addition, the Administration has also agreed to make significant improvements under its current, limited authority. Administrator McClelland has worked closely with us on this issue and is committed to make the needed changes. Establishing a clear chain of command will improve accountability, and that is our goal.

As far as I am concerned, the GAO report indicates that all three legs of the hospital oversight process need to be revamped. JCAHO needs to improve its ability to assess the extent a hospital is meeting the Medicare quality conditions of participation. CMS needs to make better use of the limited authority over JCAHO it currently has and be prepared to assume increased authority with the passage of this legislation. Finally, Congress needs to correct a decision made nearly 40 years ago to allow the federal government to abdicate its regulatory responsibilities to ensure that hospitals meet Medicare requirements.

I am here today to announce our bipartisan, bicameral commitment to work with each other, our colleagues, the Administration and the community to do just that. I encourage my colleagues in the House and Senate to support this legislation. It will provide CMS with the tools it needs to ensure that Medicare beneficiaries receive quality hospital care in a safe environment. The time to act is now. It is a matter of life and death.